



THE CBS INTERACTIVE BUSINESS NETWORK

- [Home](#)
- [Commentary](#)
- [Leadership](#)
- [Life at Work](#)
- [Business Owners](#)

[Home](#) / [Owners Only](#)

How to Win in Local Markets -- When You're Not Local

By [BNET Contributor](#) | December 1, 2010



By Robert Stack, CEO, Community Options, Princeton, N.J.

We have perhaps the toughest business pitch of any company out there: We have to convince families that we can take care of a disabled loved one in perpetuity — for his or her entire life.

Most families are reluctant to outsource the care of relatives to strangers. If they're going to do it, they'd much rather rely on local organizations that they already know and trust. So, when I first tried to expand my nonprofit [Community Options](#) into new states, local communities and funders blew us off, assuming that we were just out to make a buck.

Several years ago, we discovered two key ways to allay these fears and build trust in new markets: hiring locals and befriending our competition. In the process, we've grown from operating in just a few cities to operating in 30 cities in 10 states.

The local connection

I recently met with an executive at the Amarillo Area Foundation about starting a care house in Amarillo, Texas. After I finished my pitch about why they should fund us, the executive leaned back in his chair with his arms crossed and asked, "Are you from Amarillo?"

I'm not, but the woman sitting next to me — the executive director of the project — is from the nearby town of Happy. The executive uncrossed his arms and said, "Ok, let's talk." And we were eventually able to get

funding.

Hiring local caregivers also helps us earn the trust of communities and build awareness about our organization. Most of our marketing is done through word of mouth, so it helps if families know the caretakers who work in our houses. We need our staff to be able to carry on conversations about local politics and sports teams with families and members. We are trying to build a sub-community, not impose our own corporate culture on the lives of the locals.

Plus, having executives who know the area helps us choose the best location for our houses. We need people who know the local building inspectors so we can get handicap accessibility and bathroom modifications approved. A lot of our business is about politics, and we need insiders to help us do our job — not to mention help us navigate the complex web of funders in every region.

The competition is our ally

I've long known that one of the biggest mistakes we could make when trying to break into a new community is to treat the competition as our enemies. We aren't selling jeans — we are trying to persuade families that they can entrust us with the wellbeing of their loved ones. If we come across as a cutthroat organization trying to destroy local organizations and steal jobs, we'll alienate the people we are trying to serve.

Beyond protecting our image, there is a more fundamental reason why I treat our competitors with respect: Although there are many organizations with similar functions to ours, there aren't nearly enough.

Nearly 2 percent of all Americans have a severe disability. Right now, my organization cares for 1,400 individuals. In New Jersey alone there are 3,000 people with disabilities living in large institutions, plus 8,000 others who are on a waiting list for a place to live comfortably.

Of course, not everyone knows those statistics. Before we enter a new state, we have to make the case for why it needs another organization like ours. We try to point out how we are different from — not better than — the local competition. Many states we enter are already facing lawsuits because of a dearth of services for people with disabilities. As a result, they welcome an organization like ours. We try to target those states, rather than ones that are closer to meeting the needs of the community.

We're growing

I started off with the goal of making a difference in the life of just one person. Over the last 15 years we've grown from \$9 million in revenue to \$72 million in revenue. Although I don't measure the success of my company in dollar figures, this kind of growth is definitely a sign that we're on the right track.

For the third year, Community Options is hosting the [Cupid's Chase 5k run](#), a fundraiser for people with disabilities. It's held simultaneously in 24 cities across the U.S.

– As told to Harper Willis

Resources

- Read about [why you shouldn't fear the competition](#).
- Browse 10 tips on [how to expand your business to a new location](#).

More from “Owners Only”

- [How We Survived Getting Sued by the Big Guys](#)

[View Full Site](#)

© 2010 CBS Interactive. All rights reserved.